

Town of Bedford Finance Committee

Town Hall, Selectmen's Meeting Room

February 5, 2015

Members in attendance: Rich Bowen, Tom Busa, Steve Carluccio (late arrival), Elizabeth McClung, Barbara Perry, David Powell, Steve Steele (Chair); Ben Thomas.

Others in attendance: Taissir Alani, *Facilities Director*; Sue Baldauf, *Youth and Family Services*; Bea Brunkhorst, *Co-Chair Board of Health*; David Coelho, *Bedford Public Schools Finance Director*; Caroline Donnelly, *Board of Health*; Rich Daugherty, *Elm Street Resident*; Caroline Fedele, *Selectmen*; Glenn Garber, *Planning Director*; Victor Garofalo, *Director of Finance and Collector/Treasurer*; Brad Hafer, *School Committee (Chair)*; Thomas Kinzer, *Co-Chair, Board of Health*; Michael McAllister, *School Committee*; Bill Moonan, *Selectmen*; Ed Pierce, *School Committee*; Heidi Porter, *Director, Board of Health*; Anita Raj, *Board of Health*; Rick Reed, *Town Manager*; Mike Rosenberg, *Selectmen*; Abbie Seibert, *School Committee*; Mark Siegenthaler, *Selectmen*; Jon Sills, *Superintendent of Schools*, Sarah Thompson, *Board of Health*; Julie Turner, *The Bedford Citizen*.

Minutes: Mr. Mortenson moved to accept the minutes of January 29 as amended. Ms. Perry seconded. The motion carried, 8-0-0.

Board of Health FY16 Budget Presentation: Director of Health Heidi Porter thanked FinCom liaison Ben Thomas for his assistance on putting the budget proposal together.

Starting off with a report on grants, Ms. Porter said the Health department through the Healthy Bedford initiative, has received a total of \$250,000 since 2011 that has funded supplemental programs and intern hours. "We work in the Board of Health doing our State-mandated work. We have State codes and local regulations that we enforce through our permitting process and through our inspections but the programming helps to supplement that to a certain extent," Ms. Porter explained. It really enables us to do a lot of health and wellness programming. We recognize that a healthy community is going to go a long way toward disease prevention and wellness promotion. The Board has really supported my acquisition of outside funding over the course of time since I've been Director here."

Ms. Porter then went on to discuss the FY16 budget that includes salaries for four full-time and one part-time School nurses as well as four full-time administrative staff in the Health office. For FY16, Health is seeking additional staffing for the School nurse program in the form of a School nurse leader and additional staff hours. FinCom's 2.5% increase would have yielded a BOH budget of \$551,941; the BOH proposed FY16 budget represents a 5.97% increase that equals a \$566,562 budget, a delta of \$33,826.

The range of issues the School nurses deal with has broadened in recent years. Ms. Porter provided the following list:

- assessing and treating a range of illnesses;
- managing chronic diseases;

- administering medication;
- providing care assisted with medical technology (e.g., insulin pumps, feeding tubes, catheterizations, tracheotomy care);
- linking children with insurance and/or primary care providers;
- providing first aid and emergency care for a range of injuries and health conditions (e.g., an individual experiencing a life-threatening allergic event);
- identifying students at risk for a variety of issues such as teen pregnancy, alcohol abuse, bullying, and depression;
- completing health screenings (e.g., body mass index (BMI) measurements); and,
- providing support and referral resources for children and their families experiencing acute crisis or emotional upheaval.

Last budget cycle, the BOH asked for funds to hire a consulting nurse to evaluate the School nurse program. Although the money for this was not approved, Ms. Porter found resources for the evaluation when a personnel change liberated funds.

The consultant's findings include: additional .2 nurse FTEs at BHS to satisfy the nurse/student ratio; School nurse leadership should be provided; updated/improved medical electronic records-keeping is needed.

Ms. Porter said the student population has increased over time but the nursing staff has not. Additionally—and especially with more SpEd students coming back to be educated in-house—the needs of students have become both more diverse and acute. Visits to the School nurse increased 8% in one year alone, between 2013 and 2014. Medication administration is one cause for visits that has notable increased as are mental health/wellbeing visits.

Ms. Porter added that the School system and the Town save money with in-house SpEd but there is a collateral impact School nurses. In addition, School nurses also must be evaluated now in the same way teachers and educational administrators are but Ms. Porter emphasized that she is not a nurse” and only a nurse can evaluate a nurse.” From the educational/DESE side of things, the School principals also evaluate the nurses.

Regarding the software upgrade, Ms. Porter said the current Aspen program is not user-friendly and is very time-consuming. Additionally, the AspenX2 program does not comply with the Family Education Rights and Privacy Act because records can be altered by anyone accessing the file.

Mr. Thomas said that working with the BOH to prepare the budget gave him an understanding of the staff and Board's passion and dedication.

Mr. Mortenson asked why the School nurse program is not overseen by the School Committee. Ms. Porter replied that “it's a relic” from the days when nurses played multiple roles in the Schools and community. That format ended ten or more years ago so School nurses work solely in the Schools.

Mr. Mortenson asked if the Town was “in trouble for non-compliance with FERPA. Ms. Porter replied that as far as she knows, there has not yet been a problem.

Mr. Mortenson asked if there was any possible reimbursement stream from health insurance or SpEd sources. Mr. Garofalo replied that the Town is reimbursed for flu shots by health insurance providers.

Ms. Porter said that the “School nursing services are lumped in” with general SpEd offsets. “We at the Board of Health aren’t engaging in any sort of reimbursement....I have not heard of that happening at other school districts.”

Mr. Powell questioned the timing of the software transition and whether there would be indirect costs associated with the upgrade. Ms. Porter said data in the medical module of the current Aspen system would migrate to the new “Snap” software program. “Snap will do it and they’ll provide training to the School nurses over the summer and into the first part of the school year. The system will be hosted externally.”

Ms. McClung returned to idea of reimbursement, specifically for SpEd students returning from outside placements. Ms. Porter said that even with separate programs like CASE and LABBB that have their own medical staff, the School nurses “always act as the back-up. The School staff always must have knowledge of all the medical needs of all the kids that are in these collaboratives.”

Ms. McClung asked why the nurses are impacted if adjustment/guidance counselling staff has been added, particularly at the high school. Ms. Raj said, “Sometimes these kids with emotional needs end up at the nurse’s office, too.” Ms. Porter added that, while the nurses would refer students to guidance if they felt the need to, the two “are not inter-operative.”

Ms. McClung asked, if Ms. Porter cannot evaluate the School nurses, who would evaluate the Lead nurse? Ms. Porter said, as the Director of Health, she would oversee that staff member. “She wouldn’t be providing clinical services in her capacity as School nurse leader, she would be providing that liaison service, having knowledge of the medical components.” She added that Dr. Toby Nathan, on \$11,000 retainer as consultant, would also be a valuable resource. The stipend is paid by the Schools.

Questioning the additional \$4,600 in funding for the School nurse leader, Ms. McClung asked if that role would be played by someone currently on staff. Ms. Porter said that, presumably, someone on staff would assume that position and the funding covers “a bump in pay—she’s a manager who’s overseeing—so this is 7 hours’ worth of management time times 44 [weeks.]”

Mr. Bowen asked if the \$3,576 for “Computer Equipment/Programs” would be a yearly, recurring expense. Ms. Porter said the first year is a bit higher than subsequent years because of the training and support.

Mr. Bowen remarked that the increase in School nurse visits is significant and asked if there is a specific population responsible for the uptick. Mr. Porter said the data shows there are more students coming in for medication distribution and for mental health needs. “Just kids coming in saying ‘I’m blue’ or ‘I’m being bullied’—more of the ‘touchy-feely’ questions they feel comfortable coming to the nurse to talk about. And then, we’ve had more acute needs with the collaboratives.”

Mr. Bowen reiterated the question of reimbursement, asking that the BOH research the issue.

Mr. Busa asked about any special fund balances that might be available to the BOH, noting a total of \$3,810.47 under several separate accounts plus \$12,000 in a recombinant DNA account. Ms. Porter said the \$12,000 is a contingency account, held in the event of a catastrophic problem at one of Bedford’s bio-safety permit holders. She added the Community Innovation Challenge grant money—for tick awareness and response—“will be gone within a few months.” It was concluded there are no dormant funds available to be used.

Mr. Busa noted the BOH School population numbers do not match the Schools' numbers, although he does not dispute that report that the number of visits to the School nurses have been going up. Ms. Porter said she had taken the numbers from previous School reports and the numbers are necessarily up to the moment.

Mr. Steele emphasized again the hope that some of the School nurse services would be reimbursable. "It's a fine line between education and health....I don't know the answer to whether there's reimbursement but I hope you'll look into it." Ms. Porter said she would consult with the School department on the subject because they "have their finger on the pulse of Special Education component."

Ms. Raj stood to make the point that the BOH has not asked for any additional funds for basic services. "We're going totally level on that. Everything we asked for is for the kids. Heidi's done a fantastic job of leveraging the small staff and small budget that she has by getting all these grants that really extend our reach and our ability to work for the town. But, due to an historical fluke, we have the School nurses."

Selectmen's FY 16 Budget Proposal: Town Manager Rick Reed presented a \$41,278,143 Selectmen's budget proposal that is a 5.45% increase over FY15. This represents \$53,464 over the 2.5% guideline.

The total includes \$25,713,769 non-discretionary budget and a discretionary budget of \$15,564,370. The budget includes \$50,000 for road resurfacing as allotted by the Finance Committee; \$1,750,000 for Utilities to be segregated under Facilities; \$123,401 for Merit Pay; the Ambulance Tax Levy Subsidy of \$34,779; and \$35,000 for computer/technology that is expected to move to the Capital article.

Mr. Reed noted he had no problem with the additional \$50,000 in road resurfacing allocation.

The non-discretionary portion of the budget allocates \$10,903,659 for insurance and benefits (without proposed School staffing increases) ; debt principal and interest is \$7,531,903; the MWRA sewer assessment is calculated at \$3,213,185; water purchase is \$1,665,022; utilities as previously stated is \$1,750,000; and the total road resurfacing amount is \$650,000.

Mr. Garofalo said the additional insurance and benefits for the proposed School hires would amount to \$85,000.

Mr. Reed showed the budget in several different formats, using pie charts to demonstrate how the budget is apportioned. Insurance and benefits shows a 6.65% increase over FY15; health insurance shows an increase of 9.72%; general insurance shows a 4% increase; life insurance and unemployment cost remains flat; Medicare increases by 4%; the retirement assessment increases by 3.19%.

Mr. Carluccio arrived at this point in the proceedings.

Mr. Thomas asked how many employees will move next at age 26 from their parents' insurance to the Town's plan. Mr. Garofalo does not have information from the School side but reported the Town side number is 5. The Schools represent 51.41 % of the health insurance budget; the Town is 24.28% and retirees make up another 24.31%. Bedford pays 83% of an active individual employee's coverage, 61% for a family, and 50% of retired Medicare enrollees. Built into the health insurance budget is money set aside to cover potential employee or retiree hospitalization reimbursement claims.

Ms. Perry asked if there had been a recent increase in the retiree's portion and a drop in active

employee costs. Mr. Garofalo said there has been a noticeable shift but it's been a growth in the School side.

Mr. Reed said that Bedford participates in the Middlesex Regional Retirement assessment program under Mass. General Law Chapter 30. Reporting that the cost has risen 3.19% over FY15, Mr. Reed said Bedford "has no choice in that number; it's assessed to each of the municipalities. We can say, though, that through Victor's efforts, we were able last year to look at all the people we were assigned as former Bedford employees that contributed to our costs. Through an internal audit, we came up with some questions and believe we were assessed a smaller increase this year because the retirement people made sure people were properly assigned."

Mr. Garofalo said Bedford is fortunate to only have a 3.19% increase because other communities "are looking at 9-20% increases in the Middlesex Regional Retirement System."

Employees since 1996 must contribute 9% of their annual compensation towards their pension and an additional 2% for any amount over \$30,000, Mr. Reed said. "Some people don't understand that municipal employees' pension is all paid for by the government but the employee is setting aside money to help pay for their pension when they retire."

By law in Massachusetts, towns and town employees do not participate in the Federal Social Security system. "If we had to do that, we'd have another payroll expense of \$2.6m," Mr. Reed said, although he admitted if municipalities did participate, there would likely be a shift in how the pension system worked.

There are 354 active members in the Middlesex Regional Retirement System between the Town and the Schools. There are 167 retired and 154 inactive. Inactive members are those who have left employment in the Town but have not yet officially retired. Mr. Powell asked if seasonal employees— such as day camp workers—would be included in the "inactive" number. Mr. Reed said they were not; that category of employee is in an alternate system called OBRA, paying 7 ½%. The Town pays no contribution in this instance.

The debt budget will increase by 3.94% to \$7,531,903. The total outstanding known debt for FY15-FY2041 is \$75,938,600. Within the debt budget are 4 components: exempt, water/sewer, Community Preservation, and non-exempt.

Exempt debt: This debt is excluded from Prop 2 ½. Examples include: the high school and the DPW building.

Water/sewer: Paid for through the water and sewer rates.

Community Preservation: Paid for by the Community Preservation Act surcharge and State match/contribution. Three projects currently apply: Town Center, the Concord Road land acquisition, and the Town Hall MEP project.

Non-exempt: This portion of the debt must be paid for "under the cap" from the tax levy.

Mr. Garofalo said that the only known project not shown in the debt profile is the \$3.9m sewer project under Great Road/Bedford Street.

Showing a bar graph that demonstrates debt maturity/amortization, Mr. Garofalo said the projected spike in 2016 is due to the \$3.9m sewer project. "Come FY26, there will not be any more Community Preservation debt and the non-exempt debt will also fall off." The sewer project's debt continues until 2041. Mr. Garofalo said when the Town started forecasting Capital projects on a six year horizon, the sewer project was not known. "We thought we had fixed the problem and that was it," he said.

Mr. Reed said the first debt exclusion Bedford voted was to build a sewer system throughout the community.

Mr. Garofalo said 48% of the debt belongs to the Schools; 21% to the water/sewer systems; 14% to the Town buildings; 9.8% to the land acquisition takings for the Middlesex Turnpike project. Roads, the turf field, fire equipment and other smaller miscellany make up the remaining debt sources.

Turning to the discretionary portion of the budget, Mr. Reed said the Selectmen have approved the \$15,564,370 discretionary budget, a 2.85% increase over FY15. It includes \$29,000 in staffing increases and \$20,000 for a roof inspection maintenance program.

Staffing increases include an additional 12.5 hours to bring the Healthy Bedford coordinator up to 20 hours. Mr. Reed said the job was originally grant funded and although the grant is now running out, the Selectmen have decided to continue to fund the position. Currently, the Town budgets 7.5. The additional time would make the job eligible for benefits.

Another staffing increase is for temporary Town painting services—400 hours total. It has been determined less expensive to fund the work this way than to retain a private company. The Town currently handles painting in this manner but Mr. Reed reported that Facilities Director Alani feels the number of hours is not enough to keep up with the amount of work. Mr. Reed added that there is "a similar request in the School budget for the same amount of money."

With regard to the \$20,000 roof inspection management request, Mr. Alani had an inspection done on a couple of buildings this year and leaks were discovered that were not previously suspected. "We believe that this is a good investment to preserve the long term integrity of the buildings and to prevent more extensive maintenance requirements later on," Mr. Reed said.

Additionally, the Town would like to fund a lead maintenance technician in the Facilities department which would entail increasing a current employee's compensation with a \$3,500 stipend. Mr. Thomas asked if this position would lead to improved efficiency. Mr. Alani said it would.

Another increase in staff costs comes from upgrading election worker pay. The overall request is \$2,574 and involves increasing the current \$8.00 hourly wage to something more comparable to the \$10-\$15 paid by other towns.

"All of these things together are what's causing the guideline to be exceeded by \$53,463. If we took all those things out, we'd be under guideline by \$1,732," Mr. Reed said. He added that Town staffing has been relatively level since at least 2005, except for the addition of 4 paramedics in FY15. The budget includes a dedicated police officer for Middlesex Community College.

Selectmen's budgets equaled 24.5% of the overall budget in FY02 and 22% in FY16.

Mr. Busa said he wanted to talk about the \$608,000 in the Recreation department's revolving funds. "I'm assuming there's a guideline plan laid out by the Selectmen about what we're doing with this money. It falls under the Selectmen's [oversight.]

Mr. Reed said that it is true that Rec falls under the Selectmen but he and the Selectmen have not talked about Rec's revolving fund account balance.

Mr. Busa said the money in that account "sits there, year after year". "You need \$53,000 and the Town [contributes, I believe, \$110,000 to run Recreation. My suggestion is to pull \$53,000 out of that revolving account and you don't have a problem. And, you still have \$550,000 sitting in the account that we still don't have a game plan for— which we continually ask the Selectmen, 'what are we doing with this money?'I have no problem with the request that you're looking for, but we're sitting on pools and pools of this money."

Mr. Busa added that money already comes from the Rec revolving fund to pay for Rec employee benefits. "There is already transfer that comes from that account," he said.

Mr. Bowen said he had concerns that money for road resurfacing is less than it should be and that he'd like to see more progress made on upkeep of the lowest grade roads. Mr. Reed agreed but said it was not so much the lack of money to fund the projects as it was the limits of staff capacity to do/oversee the work involved.

Ms. McClung asked about Town contributions to retired employee healthcare. Mr. Reed said that, for the most part—except for public safety workers—people retire at Medicare age so the Town doesn't often have a gap to fill.

About roads maintenance and water system repair, Ms. McClung agreed with Mr. Bowen, saying she hoped the work could be done faster than currently planned. Mr. Reed said the Selectmen are discussing this with DPW Director Sorenson and trying to address it.

